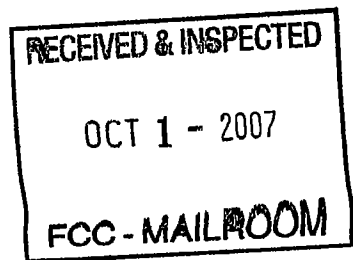


Before the
Federal Communications Commission
Washington, D.C. 20554



In the Matter of

Federal-State Joint Board on
Universal Service

)
)
)
)

CC Docket No. 96-45

**HIGHLAND CELLULAR, LLC'S ELIGIBLE TELECOMMUNICATIONS CARRIER
ANNUAL REPORT AND CERTIFICATION IN COMPLIANCE WITH
47 C.F.R. § 54.209(a)**

September 28, 2007

Phillip J. Giachino
Highland Cellular, LLC
14201 Wireless Way
Oklahoma City, OK
(405) 529-8333

No. of Copies rec'd 044
List ABCDE

I. INTRODUCTION

In accordance with the standards and requirements established by the Federal Communications Commission ("Commission"), Highland Cellular, LLC ("Highland Cellular" or the "Company") submits this Annual Report and Certification, and respectfully requests the Commission to certify its eligibility to receive high-cost support from the federal universal service fund for calendar year 2008.

II. BACKGROUND

Highland Cellular has been designated as a competitive eligible telecommunications carrier ("ETC") in areas of Virginia. By Order dated April 12, 2004¹ Highland Cellular was designated in the Honaker/Swords Creek wire center of Verizon Virginia Inc. wire center, the United Telephone Company Bland and Ceres wire centers, and the Burkes Garden Telephone Company study area. For purposes of this filing, the foregoing are collectively referred to as Highland Cellular's "Designated Area."

III. HIGHLAND CELLULAR'S ANNUAL REPORTING IN ACCORDANCE WITH SECTION 54.209(a)

Section 54.209(a) of the Commission's Rules requires a common carrier previously designated by the Commission as an ETC to annually report certain information no later than October 1 of each calendar year. In addition, Highland Cellular committed to file, and the Commission required the filing of, certain additional information at the time of designation.² Highland Cellular respectfully submits the following information in satisfaction of the Commission's annual reporting requirement.

¹ *In the Matter of Federal-State Joint Board on Universal Service, Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier*, CC Docket 96-45, Memorandum Opinion and Order, FCC 04-37 (rel. April 12, 2004) ("ETC Designation Order").

² *ETC Designation Order*, ¶ 43.

A. Highland Cellular's Progress Report on its Service Improvement Plan

Section 54.209(a)(1) of the Commission's Rules requires an ETC to provide a progress report on its previously filed Service Improvement Plan. Highland Cellular's Service Improvement Plan was filed with the Commission on September 26, 2006 in this docket. Highland Cellular's Progress Report on its Service Improvement Plan is attached as **Confidential Exhibit A**. The Progress Report includes a map detailing the Company's progress toward meeting its targets, an explanation of how much universal service support was received and how it was used to improve signal quality, coverage or capacity, and an explanation regarding any network improvement targets that have not been fulfilled. The Progress Report is submitted on a wire center basis.³

Highland Cellular will continue to utilize federal high-cost universal service support for the provision, maintenance, and upgrading of facilities and services for which the support is intended consistent with § 254(e) of the Telecommunications Act of 1996 (the "Act") and § 54.7 of the Commission's Rules.

B. Highland Cellular's Network Outages In Virginia Designated Area

Section 54.209(a)(2) of the Commission's Rules requires an ETC to annually report network outages within its Designated Area. The Rule specifically requires:

[d]etailed information on any outage, as that term is defined in 47 C.F.R. 4.5, of at least 30 minutes in duration for each service area in which an eligible telecommunications carrier is designated for any facilities it owns, operates, leases, or otherwise utilizes that potentially affect (i) [a]t least ten percent of the end users served in a designated service area; or (ii) [a] 911 special facility, as defined in 47 C.F.R. 4.5(e). Specifically, the eligible telecommunications carrier's annual report must include information detailing: (A) [t]he date and time of onset of the outage; (B) [a] brief description of the outage and its resolution; (C) [t]he particular services affected; (D) [t]he geographic areas affected by the

³ This information is also filed in satisfaction of the requirements set forth in paragraphs 15 and 43 of the *ETC Designation Order*.

outage; (E) [s]teps taken to prevent a similar situation in the future; and (F) [t]he number of customers affected.

The information required by § 54.209(a)(2) for the time period July 1, 2006 through June 30, 2007 is contained within **Confidential Exhibit B**. Highland Cellular has compiled and reported information for all outages of at least 30 minutes in duration occurring within its Designated Area. Such information includes, but is not limited to, any outage that may potentially affect at least ten percent (10%) of its customers served in a service area, so it results in an overreporting of information required by § 54.209(a)(2). Highland Cellular cannot know for certain how many of its subscribers were affected or potentially affected by an outage, and so it has provided an estimate based on the numbers of subscribers that are generally served by high-use towers on its network.

C. Highland Cellular's Unfulfilled Requests For Service

Section 54.209(a)(3) of the Commission's Rules requires an ETC to annually report the number of requests for service from potential customers within the ETC's designated service areas that were unfulfilled during the past year. The filing must also detail how the ETC attempted to provide service to those potential customers as set forth in Section 54.202(a)(1)(i). The required information concerning Highland Cellular's unfulfilled requests for service within its Designated Area from July 1, 2006 through June 30, 2007 is contained in **Exhibit C**.⁴

D. Highland Cellular's Complaints Per 1,000 Handsets Or Lines

Section 54.209(a)(4) of the Commission's Rules requires an ETC to annually report the number of complaints per 1,000 handsets or lines. The required information concerning the

⁴ This information is also filed in satisfaction of the requirements set forth in paragraphs 16 and 43 of the *ETC Designation Order*.

number of complaints per 1,000 handsets for Highland Cellular's Designated Area from July 1, 2006 through June 30, 2007 is contained in **Exhibit D**.⁵

E. Highland Cellular's Certification Regarding Applicable Service Quality Standards And Consumer Protection Rules

Section 54.209(a)(5) of the Commission's Rules requires an ETC to certify that it is complying with applicable service quality standards and consumer protection rules. Highland Cellular's compliance with the terms and conditions of the CTIA Consumer Code for Wireless Service meets this requirement. Highland Cellular certifies that it has complied and will continue to comply with the principles set forth therein.⁶

F. Highland Cellular's Certification Regarding An Ability To Function In Emergency Situations.

Section 54.209(a)(6) of the Commission's Rules requires an ETC to certify an ability to function in emergency situations as set forth in § 54.202(a)(2) of the Commission's Rules. The standards set forth in § 54.202(a)(2) include a reasonable amount of back-up power to ensure functionality without an external power source, an ability to reroute traffic around damaged facilities and a capability to manage traffic spikes resulting from emergency situations. Highland Cellular certifies it is able to function in emergency situations as set forth in § 54.202(a)(2).

G. Highland Cellular's Certification Regarding Its Provision Of A Comparable Local Usage Plan

Section 54.209(a)(7) of the Commission's Rules requires an ETC to certify it is offering a local usage plan comparable to the incumbent LEC in the relevant service areas. Highland Cellular offers customers within Designated Area a variety of service plans with varying amounts of local usage, including a plan with unlimited local usage. Highland Cellular certifies

⁵ This information is also filed in satisfaction of the requirements set forth in paragraphs 24 and 43 of the *ETC Designation Order*.

⁶ This information is also filed in satisfaction of the requirements set forth in paragraphs 24 and 43 of the *ETC Designation Order*.

that it offers and will continue to offer at least one comparable local usage plan as required by Section 54.209(a)(7).

H. Highland Cellular's Certification Regarding The Commission's Ability To Provide Equal Access

Highland Cellular hereby certifies that the Commission, pursuant to 47 U.S.C. § 332(c)(8), may require it to provide equal access to long distance carriers in the event that no other ETC is providing equal access within one of its Designated Area.

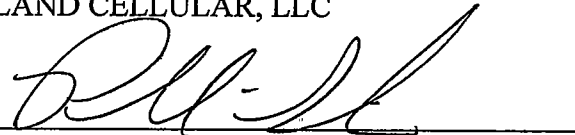
IV. CONCLUSION

Based on the foregoing information, Highland Cellular respectfully requests the Commission to certify its eligibility to receive federal universal service support for calendar year 2008 in accordance with 47 C.F.R. §§ 54.313 and 54.314.

HIGHLAND CELLULAR, LLC

Dated: September 28, 2007

By



Phillip Giachino
Highland Cellular, LLC

PUBLIC VERSION

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Federal-State Joint Board on
Universal Service

)
)
)
)

CC Docket No. 96-45

CERTIFICATION

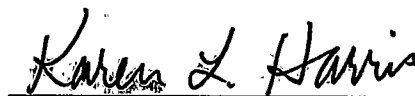
The undersigned, Phillip J. Giachino, does hereby certify as follows:

1. I serve as Vice President for American Cellular Corporation, the sole manager of Highland Cellular, L.L.C. (Highland). I am authorized to make this certification on behalf of Highland.
2. This certification is submitted in support of the Highland Cellular's ETC Annual Report and Certification in compliance with 47 C.F.R. § 54.209(a).
3. I have reviewed the ETC Certification and Annual Report and the facts stated therein, of which I have personal knowledge, are true and correct to the best of my present knowledge, information and belief.



Phillip J. Giachino

Subscribed and sworn to before me
this 28th day of September, 2007.



Notary Public



PUBLIC VERSION

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Federal-State Joint Board on
Universal Service

)
)
)
)

CC Docket No. 96-45

**HIGHLAND CELLULAR, LLC'S CONFIDENTIAL PROGRESS REPORT
ON THE SERVICE IMPROVEMENT PLAN FOR THE STATE OF
VIRGINIA**

PUBLIC VERSION

EXHIBIT A

I. INTRODUCTION

Highland Cellular, LLC ("Highland Cellular" or "the Company") submits the following Service Improvement Plan Progress Report pursuant to Section 54.209(a) of the Commission's Rules and paragraph 43 of the *ETC Designation Order*. Highland Cellular has been designated as an eligible telecommunications carrier ("ETC") for certain service areas within the State of Virginia (the "Designated Area") by Commission Order dated April 12, 2004.¹

Highland Cellular developed and filed with the Commission a five-year Service Improvement Plan on September 26, 2006. The Service Improvement Plan included all information required by Section 54.202(a)(1)(ii) of the Commission's Rules for calendar years 2006-2010. Section 54.209(a)(1) of the Commission's Rules requires the submission of a progress report on a previously filed Service Improvement Plan. The progress report must include maps detailing the Company's progress toward meeting its planned targets, an explanation of how much universal service support was received and how it was used to improve signal quality, coverage or capacity, and an explanation regarding any network improvement targets that have not been fulfilled.

II. PROGRESS ON SERVICE IMPROVEMENT PLAN

Set forth below is Highland Cellular's progress report on its previously filed Service Improvement Plan for the period from July 1, 2006 to June 30, 2007. [Redacted]

¹ *In the Matter of Federal-State Joint Board on Universal Service, Highland Cellular Communications, LLC Petition for Designation as an Eligible Telecommunications Carrier*, CC Docket 96-45, Memorandum Opinion and Order, DA 02-2855 (rel. Oct. 31, 2002).

PUBLIC VERSION

A. Progress Map

Attached as **Confidential Appendix A-1** is a map that depicts the Company's current signal coverage in the Designated Area associated with *current facilities and network* improvements identified in the Service Improvement Plan.

B. High-Cost Support Amounts

Pursuant to Section 254(e) of the Act, a carrier eligible to receive federal high-cost universal service support shall use such support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." Consistent with 47 U.S.C. § 254(e) and Sections 54.313 and 54.314 of the Commission's Rules, Highland Cellular hereby certifies that all federal high-cost universal service support received will be used only for the provision, maintenance, and upgrading of facilities and services for which support is intended.

For the period beginning July 1, 2006 to June 30, 2007, Highland Cellular received \$99,552 of federal high-cost universal service support for the Designated Area in the State of Virginia.

C. Use of Federal Universal Service Support

Highland Cellular has used federal universal service support to assist it in completing certain capital improvement projects set forth in the Service Improvement Plan that were intended to expand signal coverage, increase capacity, improve service quality or emergency functionality within its Designated Area. Attached as **Confidential Appendix A-2** is a spreadsheet describing the status of the projects identified in the Service Improvement Plan as of June 30, 2007 and explaining Highland Cellular's allocation and use of universal service from July 1, 2006 to June 30, 2007 for each of the capital improvement projects within the Designated Area in Virginia.

PUBLIC VERSION

Highland Cellular also used federal high-cost universal service support to operate, maintain and upgrade its network facilities and services consistent with the universal service objective of providing quality telecommunications services in rural and high-cost areas and to low-income subscribers. Attached as **Confidential Appendix A-3** is a spreadsheet explaining Highland Cellular's allocation and use of universal service from July 1, 2006 to June 30, 2007 associated with the provision of service and the maintenance or repair of facilities within the Designated Area in Virginia.

D. Unfulfilled Service Improvement Plan Targets

Highland Cellular's Service Improvement Plan identified various capital improvement projects based on the Company's initial evaluation of many factors based on available information at the time. The Service Improvement Plan was subject to change over time for various reasons, including consumer demand, competitive forces, available capital and projected universal service support amounts. Projected expenses were estimates. As a result of these factors, the content and timing of the projects and improvements set forth in the Service Improvement Plan were stated to be subject to change.

As noted above, **Confidential Appendix A-2** describes the status of the projects identified in the Service Improvement Plan as of June 30, 2007. **Confidential Appendix A-2** also sets forth amendments, modifications and adjustments to the projections associated with the original Service Improvement Plan. No changes have been made.

PUBLIC VERSION

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

Federal-State Joint Board on
Universal Service

)
)
)
)

CC Docket No. 96-45

CERTIFICATION


The undersigned, Phillip Giachino, does hereby certify as follows:

1. I serve as Vice President for American Cellular Corporation, the sole manager of Highland Cellular, L.L.C. (Highland). I am authorized to make this certification on behalf of Highland.
2. This certification is submitted in support of the Company's Confidential Service Improvement Plan Progress Report for the State of Virginia.
3. I have reviewed the Confidential Service Improvement Plan Progress Report and the facts stated therein, of which I have personal knowledge, are true and correct to the best of my present knowledge, information and belief.



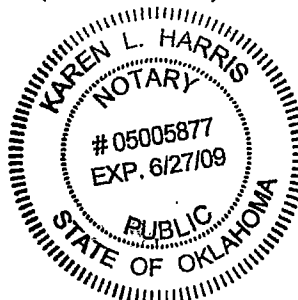
Phillip Giachino, Vice President

Subscribed and sworn to before me
this 28th day of September, 2007.



Notary Public

(NOTARY SEAL)



PUBLIC

CONFIDENTIAL APPENDIX A-1

PROGRESS MAP

[REDACTED]

APPENDIX A-2

**Allocation of Universal Service Funds
Capital Improvement Projects and Emergency Service Improvements
July 1, 2006 to June 30, 2007**

Year 1 = July 1, 2006 to June 30, 2007	
USF Funds Received	\$99,552
USF Funds Spent	[REDACTED]
Amount allocated to Capital Expenditures	[REDACTED]
Amount allocated to Operational Expenditures	[REDACTED]

[illegible]

PUBLIC VERSION

APPENDIX A-3
Allocation of Universal Service Funds
Operating Expenses / Repair and Maintenance
July 1, 2006 to June 30, 2007

	Actual
Area	Operating Expenses
Throughout Designated Area	[REDACTED]

NOTE: Operating expenses includes network costs of service. It does not include maintenance and repairs or depreciation of network assets.

PUBLIC VERSION
EXHIBIT B

OUTAGE REPORT FOR THE STATE OF VIRGINIA

July 1, 2006 – June 30, 2007

[REDACTED]

EXHIBIT C

UNFULFILLED REQUESTS FOR SERVICE

STATE OF VIRGINIA

July 1, 2006 – June 30, 2007

**Number of Unfulfilled Requests
for Service Within Designated Area**

0

**Description of How Service
Was Attempted**

N/A

EXHIBIT D

**COMPLAINTS PER 1,000 HANDSETS
WITHIN DESIGNATED AREA IN VIRGINIA
July 1, 2006 – June 30, 2007**

VIRGINIA DESIGNATED AREA

Reporting Period: July 1, 2006 to June 30, 2007

Complaints per 1,000 lines: 4

2080008v1